

Understanding the Gender Impact of Implementing the Agreement Establishing the ASEAN–Australia–New Zealand Free Trade Area (AANZFTA) in Malaysia

Policy Brief

August 2026

INTRODUCTION

The digital economy can create important opportunities for women in Malaysia, including women with disabilities and women-led MSMEs. Its inclusion in free trade agreements recognises its role in economic growth and women's economic empowerment.

The Trade and Gender Equality Incubator,¹ funded by the Australian Department of Foreign Affairs and Trade (DFAT), commissioned an ex-post gender analysis of selected chapters of the original AANZFTA. This brief summarises findings on Chapter 10 on E-Commerce of the original AANZFTA under three categories:



COOPERATION



**TRADE
FACILITATION**



**CONSUMER AND
DATA PROTECTION**

The study found that Malaysia has implemented relevant domestic reforms, but the connection to AANZFTA is not always clear. It also found that women could benefit from stronger digital trade rules, but gaps in digital adoption, skills and data continue to limit progress.

While the findings below draw on Malaysia's commitments under the original AANZFTA, the AANZFTA Upgrade creates new opportunities to reduce gender equality gaps.



Caption – Participants at the workshop disseminating findings of the research on 'Gender Impact of Implementing the Agreement Establishing the ASEAN–Australia–New Zealand Free Trade Area (AANZFTA) in Malaysia', 22 August 2025, Kuala Lumpur, Malaysia.

¹ The Trade and Gender Equality Incubator (TGEI) operates under the Regional Trade for Development (RT4D) program, which supports ASEAN Member States (AMS) to maximise benefits from the upgraded Agreement Establishing the ASEAN–Australia–New Zealand Free Trade Area (AANZFTA) and the Regional Comprehensive Economic Partnership (RCEP) Agreement.

FINDINGS

AANZFTA's e-commerce commitments are mostly broad and flexible, especially in the original chapter, but provide a useful framework for digital trade and safer online activity.



Cooperation

Malaysia has enacted domestic reforms consistent with the AANZFTA and other agreements² with more ambitious e-commerce provisions. These reforms include the E-Commerce Act 2006 and the National E-Commerce Strategic Roadmap (NESR). The link between these reforms and the AANZFTA is not always direct, which highlights an opportunity to strengthen alignment and evaluation between trade agreements and domestic reforms. Domestic initiatives such as EmpowerHER, the Malaysia Digital Initiative, and WEFi support women entrepreneurs in the digital economy and these efforts could be more closely aligned with the implementation of AANZFTA.

The uptake of digital reforms and initiatives remains uneven. According to Malaysia's Digital Minister, as reported by SME Corporation Malaysia (2025),³ more than 60 per cent of businesses, equivalent to over 650,000 MSMEs, were still at a basic level of digitalisation. Department of Statistics Malaysia (DOSM) reported that women owned establishments accounted for 20.1 per cent of total establishments in 2022.⁴ Although they face regulatory and market challenges, women owned firms are well placed to benefit from digital opportunities. Implementing the AANZFTA Upgrade's cooperation provisions could expand digital trade support and better engage diverse women entrepreneurs.



For women entrepreneurs, lower costs and time savings can support greater participation in e-commerce.



Trade facilitation

The original AANZFTA includes provisions on electronic authentication and paperless trading, while the AANZFTA Upgrade adds provisions including electronic invoicing. Together, these measures aim to reduce compliance costs and support cross-border digital transactions. They align with national legislation, including the E-Commerce Act and the amended Consumer Protection Act. For women entrepreneurs, lower costs and time savings can support greater participation in e-commerce. Data from DOSM and SME Corp show that e-commerce adoption has grown in Malaysia; however, uptake remains below potential.

² Other relevant FTAs include the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the ASEAN E-Commerce Agreement

³ SME Corporation Malaysia. 2025. [RM1.5bil Fund Launched to Boost MSME Digitalisation](#). 25 March 2025.

⁴ Department of Statistics Malaysia (DOSM). 2025. [Economic Census 2023: Women-Owned Statistics](#).



Consumer and data protection

The study reviewed consumer and data protection frameworks and sex disaggregated internet data. While consumer and data protection provisions are non binding, domestic reforms aligned closely with the AANZFTA.⁵ Malaysia amended the Consumer Protection Act 1999 in 2007 to extend its coverage to e-commerce and subsequently enacted the Personal Data Protection Act 2010 to regulate personal data in commercial transactions. These measures are important for women consumers and entrepreneurs, especially as gaps remain in digital confidence and online safety. Evidence also suggests that women are disproportionately affected by some forms of online fraud. A study found that 24 per cent of social commerce users reported experiencing purchasing fraud and that the majority of victims were highly educated, married women aged 26-35 who lost nearly RM 400.⁶ Stronger protections would increase the confidence of women, including women with disabilities, to trust and use digital platforms.

CHALLENGES

Comprehensive data on e-commerce usage, ownership and outcomes are scarce and fragmented across institutions. This limits thorough gender analysis and the design of inclusive, evidence-based policies. For example, data from DOSM and SME Corp track e-commerce uptake among MSMEs but do not disaggregate it by the sex of business owners or consumers. Data on women as consumers of digital trade are limited. Key datasets are fragmented across DOSM, SME Corp, Malaysia Digital Economy Corporation (MDEC) and Bank Negara Malaysia, which reduces data accessibility and utility.



Caption – Participants at the workshop disseminating findings of the research on ‘Gender Impact of Implementing the Agreement Establishing the ASEAN–Australia–New Zealand Free Trade Area (AANZFTA) in Malaysia’, 22 August 2025, Kuala Lumpur, Malaysia.

⁵ It is important to acknowledge that Malaysia has undertaken stronger commitments relating to consumer and data protection under other agreements, such as the CPTPP and the ASEAN Agreement on E-commerce.

⁶ Abdul Talib, Yurita Yakimin, and Fariza Hanim Rusly. 2020. The Current State of Social Commerce Fraud in Malaysia and the Mitigation Strategies. *International Journal of Advanced Trends in Computer Science and Engineering* 9 (2): 1593–1599.

OPPORTUNITIES

The following points should be considered to maximise the benefits women, including women with disabilities, gain from digital trade commitments under AANZFTA:

- 1** Using the AANZFTA Upgrade's cooperation provisions on digital inclusion and MSMEs to establish a gender and digital trade dialogue would help women led MSMEs engage with AANZFTA implementation. The cooperation mechanism could also support e commerce collaboration with development partners through capacity building, upskilling and data collection initiatives for women-led MSMEs. NESR, the Malaysia Digital Initiative and EmpowerHER could support this dialogue.
- 2** The AANZFTA Upgrade should be used to expand the participation of diverse groups of women in digital trade by fully implementing provisions on electronic invoicing, open government data, cross-border data flows and dispute settlement. For women-led MSMEs, these provisions can help reduce time, cost and complexity of compliance and improve predictability in e-commerce.
- 3** Agencies such as SME Corp, MDEC and DOSM could strengthen coordination on the collection and use of sex-disaggregated data. For example, targeted surveys, voluntary reporting and independent data collection could capture both quantitative data such as the share of women-owned MSMEs engaged in digital trade and qualitative data such as digital skills, financial constraints and consumer confidence. Institutionalising gender impact analysis in FTA evaluation, at baseline and endline, would help policy makers and AANZFTA parties track progress and design targeted interventions to expand the participation of diverse groups of women in digital trade.



Caption – A participant at the workshop disseminating findings of the research on 'Gender Impact of Implementing the Agreement Establishing the ASEAN–Australia–New Zealand Free Trade Area (AANZFTA) in Malaysia', 22 August 2025, Kuala Lumpur, Malaysia.

About RT4D

The \$53.3 million Regional Trade for Development (RT4D) initiative, funded by both the Governments of Australia and New Zealand, assists ASEAN Member States in meeting their commitments and realising the advantages offered by the Agreement establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA), and the Regional Comprehensive Economic Partnership (RCEP). RT4D supports AMS in benefitting from an open, free and rules-based trading system.

Through the AANZFTA Implementation Support Program (AISP) and the RCEP Implementation Support Program (RISP), RT4D provides tailored support to enhance the capabilities of ASEAN Member States by strengthening skills, building networks, facilitating policy options and ensuring that trade benefits everyone, including Micro, Small and Medium Enterprises (MSMEs), women and people with disabilities.

Under the operation of the RT4D, the Trade and Gender Equality Incubator (TGEI) is funded by the Australia's Department of Foreign Affairs and Trade (DFAT). TGEI supports gender equality and more inclusive trade by generating evidence, testing approaches and sharing good practices to strengthen policies, systems and processes so that women from diverse backgrounds and with different abilities can meaningfully participate in, influence and benefit from trade.

Contact



Visit our website

<https://regional-trade4dev.org/>



Connect with us on X

<https://x.com/RegTrade4Dev>



Connect with us on Facebook

<https://facebook.com/regionaltrade4dev>